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BI-WEEKLY WARNING ISSUES

FOR THE DCI

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KEY WARNING ISSUES

EL SALVADOR: Threat to US Personnel and Dependents

SOUTH KOREA: Increasing Instability

The National Intelligence Officer for Warning prepared this report for senior Intelligence Community officials; he is entirely responsible for its contents. Its purpose is to warn of a range of issues that could affect US national security interests and to stimulate discussion, debate, and further analysis of these issues.

KEY WARNING ISSUES**EL SALVADOR: Threat to US Personnel and Dependents**

The threat to US personnel in El Salvador has increased as the insurgents continue to intensify their war against the government.

No US personnel have yet been injured in the insurgents' heightened campaign of urban violence.

[REDACTED]

[REDACTED] Overall insurgent plans call for attacks on targets--such as the National Intelligence Directorate--that include US personnel. The rebels have already attacked the US Agency for International Development facility in San Salvador in late October and fired mortar rounds into the garden of the US Deputy Chief of Mission's residence on 25 November. The guerrillas have also escalated their military activities in the countryside by attacking government troops and facilities, hampering the coffee harvest and damaging the power grid. They soon may attack government communications sites throughout the country, [REDACTED]

[REDACTED]

The rebels hope to tarnish the government's image and pressure it into negotiations on sharing power and on a major land redistribution program. The insurgents intend to follow the Sandinista strategy of undermining US Congressional support for Washington's regional policies,

[REDACTED] The guerrillas reportedly plan to continue their practice of assassinating mayors of small towns and officials of human rights organizations, placing the blame for the murders on rightwing government death squads.

The rebels will likely escalate their terrorist activities as the March Presidential elections approach. Although the Salvadoran military is attempting to provide security in the capital and has launched a major counteroffensive in the countryside, US personnel and their dependents are at high risk of being targets as well as being caught in crossfire in the period before the elections.

SOUTH KOREA: Increasing Instability

The potential for instability in South Korea is increasing. Over the next several months, pressure from both rightwing and leftwing groups may cause the Rho administration to side-

track recent democratic reforms. Moreover, growing anti-Americanism among Koreans, further fomented by student radicals, could lead to violence directed at military personnel and bases in Korea.

Prior to the Olympics, the ruling party and military feared that President Rho was proceeding too far, too fast in undertaking political reforms. On the other hand, student leftists, opposition parties, labor and church groups wanted the process of political reform speeded up. The national euphoria surrounding the Olympics served to dampen this opposition and temper internal differences, but all parties understood the political truce was a temporary one.

Now that the glow of the Olympics has faded, the following problems could threaten President Rho's government or derail the incipient democratic process.

- Opposition calls for a complete investigation of the 1980 Kwangju riots, in which hundreds of demonstrators were killed, have the potential to damage Rho and the military leadership by exposing their roles in suppressing the riots.
- Controversy over prosecution of ex-President Chun Doo Won threatens to weaken the ruling party, whose members include many of Chun's former associates in the military.
- Some conservatives and military leaders view democratic government as eroding their influence and increasing that of the left, and continue to discuss ways to restrain the more open style of government.
- Radical student groups have exploited the government's recent permissiveness in order to pressure the government on sensitive issues such as relations with the United States and reunification; they may

become a catalyst for galvanizing other discontented elements.

- Reunification policy is a contentious and sensitive focus for both rightwing and leftwing pressure, which could mount if policy initiatives are not handled carefully.
- Prospects of increased trade and diplomatic relations with the USSR and East European countries are causing concern among conservative groups, including the military, which views such ties with traditional foes inappropriate.
- Labor is becoming more strident in its demands for higher wages and better working conditions; if the government rejects these demands, it could set the stage for serious economic disruption and potentially violent demonstrations.
- Trade problems with the United States and growing anti-American sentiment among the populace are major policy challenges, the handling of which will affect the government's popular support.

Thus far, Rho has successfully avoided alienating powerful interest groups on the left and right, and has maintained solid support from the politically moderate majority. Nevertheless, the multiplicity of problems confronting Rho, the immaturity of South Korea's democratic institutions, and competing political interests make the political environment fragile. A coalescence of even some of these factors could threaten the stability of the current government and progress toward democracy.